

BEFORE THE TENNESSEE REGULATORY AUTHORITY

NASHVILLE, TENNESSEE

August 21, 2000

IN RE:

BELLSOUTH COMMUNICATIONS INC. TARIFF)
TO INTRODUCE A TERM PLAN FOR COMPLETE)
CHOICE FOR BUSINESS CUSTOMERS) DOCKET NO. 00-00180
)
)

ORDER APPROVING TARIFF

This matter comes before the Tennessee Regulatory Authority ("Authority") upon the filing of Tariff No. 00-00180 (the "Tariff") by BellSouth Telecommunications, Inc. ("BellSouth") to introduce a term plan for Complete Choice for business customers. BellSouth proposed to add term plan options for its Complete Choice for business package service. BellSouth's business package service allows customers to obtain an exchange line, calling features and grouping (bundling) for one (1) price and may be purchased as a 1-line, 2-line or 3-line package. At the time of the filing, BellSouth offered the business package service with month-to-month rates only.

In this tariff, BellSouth proposed to offer discounted recurring rates in exchange for a subscriber's commitment to a specified term length. The Tariff offered a five percent (5%) discount for a twenty-four (24) month commitment and an eight percent (8%) discount for a thirty-six (36) month commitment. BellSouth submitted cost

information showing that the discounted rates cover its long-run incremental costs. The Tariff also included termination provisions for customers that discontinue service prior to the expiration of the term commitment. BellSouth proposed the following termination language:

A termination liability will be assessed to subscribers who terminate the service prior to the expiration of the term commitment. The amount to be assessed will be equal to the amount of the discounted charges that the Subscriber had received as a result of the Subscriber's participation in the Program (up to a maximum of the most recent 12 months' discounts.)

In its original filing, BellSouth included a provision in the Tariff that automatically renewed a customer's term plan unless the customer provided BellSouth with written notification to cancel or change the term plan at least sixty (60) days prior to the expiration of the contract. Following certain discussions with the Authority, BellSouth removed the automatic renewal provision.

At a regularly scheduled Authority Conference held on March 28, 2000, the Directors considered this Tariff and made the following findings. The termination provision proposed in BellSouth's Tariff assesses a charge equal to the amount of discounted charges for customers terminating their contracts prior to the expiration of the term commitment, with liability capped at a maximum of the most recent twelve (12) months' discounts. The Directors determined that this termination provision was equivalent to termination language that the Authority approved in Tariff Nos. 99-00683 and 99-00711. Therefore, with the automatic contract renewal language removed, the Directors voted unanimously to approve BellSouth's Tariff as amended.

IT IS THEREFORE ORDERED THAT:

Tariff No. 00-00180 filed by BellSouth Telecommunications, Inc. is approved.



Melvin J. Malone, Chairman



H. Lynn Greer, Jr., Director



Sara Kyle, Director

ATTEST:



K. David Waddell, Executive Secretary